

\$2.13M Strategic Placement and Entry into Exclusive Supply Agreement

Australian Dairy Nutritionals Limited (**AHF** or the **Group**) is pleased to announce that it has:

- (a) received firm commitments for a placement of 96,955,018 fully paid ordinary shares (**New Shares**) to raise up to \$2,133,010 (before costs) (**Placement**) to fund brand development, market expansion, as well as support ongoing operations and working capital; and
- (b) entered into an exclusive supply agreement for the distribution of AHF infant formula products in China.

Placement

The Placement has been commercially negotiated such that 48,477,509 New Shares will be issued at \$0.02 per share to raise \$969,550.18 and 48,477,509 New Shares will be issued at \$0.024 per share to raise \$1,163,460.22. Accordingly, in total, the Company will have raised \$2,133,010 (before costs) at completion.

The Placement is expected to complete on 13 September 2024 and all of the New Shares will be issued by utilising the Company's existing capacity under ASX Listing Rule 7.1.

The New Shares will rank equally with the existing fully paid ordinary shares. The issue price of \$0.02 per share represents a premium of 5% to the volume-weighted average price for the 30 days to 5 September 2024 being the last trading date of the Company's shares, and the issue price of \$0.024 per share represents a premium of 26% to the volume-weighted average price for the 30 days to 5 September 2024 being the last trading date of the Company's shares.

As part of the broader transaction and placement to Alpha Professional Holdings Limited, at completion of the Placement, this investor will have the right to nominate a Non-Executive Director to the Board of Australian Dairy Nutritionals Limited.

Exclusive supply agreement

Separately, the Group is pleased to announce that it has entered an exclusive supply partnership with Mutree Science and Technology Limited, for distribution and marketing of AHF infant formula and other products in China. The supply partnership has an initial term of 5 +5 years.

The supply partnership requires a minimum 1st twelve months volume of 100,000 units, which will translate to sales of at least A\$2.5m over the twelve month period. This agreement establishes a key strategic partner for the business within China, which is the largest infant formula market in the world. Mutree Science and Technology Limited will become the trade partner for AHF supplying online supply distribution platforms (M2C APP), which is a unique proprietary cross-border and general trade e-commerce platform, with the core purpose of providing high quality goods from around the world to Chinese consumers. M2C APP platform utilises market leading warehousing and logistics systems to ensure their customers can access high quality products through hassle free reliable means at affordable prices.

M2C APP app has already reached a coverage of more than 20,000 physical (offline) outlets empowering and enabling small and medium-size channels, using online social tools, to succeed within a system that is well managed, legally compliant and transparent for cross border trading.

The M2C APP can generate sales offtake and powerful consumption data, and can also be the primary platform for an effective consumer marketing campaign. As a strategic business partner AHF will have access of this data for its products.

There are no other material conditions that need to be satisfied before the parties become legally bound to proceed with the terms of the supply agreement. There is no other material information relevant to assessing the impact of the supply agreement on the price or value of the Company's securities.

The release of this announcement was authorised by the Board of AHF.

Ends

Further Details

Australian Dairy Nutritionals Limited

Phone: +61 3 8692 7284

Email: shareholders@adnl.com.au

About Australian Dairy Nutritionals Group

Australian Dairy Nutritionals Group (AHF) is a vertically integrated Australian dairy group which owns high quality organic and organic A2 dairy farms, and a processing facility located in Southwestern Victoria, the 'Golden Triangle' of Australia's dairy industry. The Group produces the Ocean Road Dairies Organic A2 infant formula range, Australia's first Organic A2 infant formula made with farm fresh Australian milk from our organic dairy farms and manufactured at our infant formula factory in Camperdown, Victoria.

Disclaimer – Forward Looking Statements

This announcement may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry, in which it operates, and beliefs and assumptions. Readers are cautioned not to place undue reliance on forward looking statements.